

FISCAL NOTE

Bill #: HB5

Title: Refund of \$70 million of general fund balance to income taxpayers

Primary

Sponsor: Brad Molnar

Status: Introduced

Sponsor signature	Date	Dave Lewis, Budget Director	Date
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Fiscal Summary

	<u>FY2001 Difference</u>	<u>FY2002 Difference</u>	<u>FY2003 Difference</u>
Expenditures:			
General Fund	\$316,800	\$0	\$0
Revenue:			
General Fund	(\$70,000,000)	\$0	\$0
Net Impact on General Fund Balance:	(\$70,316,800)	\$0	\$0

<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
	X	Significant Local Gov. Impact		X	Technical Concerns
	X	Included in the Executive Budget		X	Significant Long-Term Impacts

Fiscal Analysis

ASSUMPTIONS:

1. This bill designates \$70 million of state general funds to be refunded to individual income taxpayers.
2. Refunds totaling \$70 million will be distributed in the second half of fiscal 2001.
3. Refunds will be distributed to taxpayers on the basis of their *pro rata* share of tax year 1999 liability.
4. No refund will be provided to any taxpayer whose refund calculation results in a refund of \$10 or less.

Administrative Impacts

5. Programming costs to accommodate the refund proposal would total \$16,800 in fiscal year 2001.
6. Administrative costs associated with the Customer Service Center (CSC) would total \$300,000. This is the cost that was incurred to provide refunds under HB171, the income tax refund program passed during the 1995 legislative session. These costs were required to cover warrant writing services, programming changes, salaries for staff to complete the return processing in time to issue the refunds, and other miscellaneous charges.

FISCAL IMPACT:

	<u>FY2001 Difference</u>	<u>FY2002 Difference</u>	<u>FY2003 Difference</u>
FTE			
<u>Expenditures:</u>			
Operating Expenses	\$316,800	\$0	\$0
<u>Funding:</u>			
General Fund (01)	\$316,800	\$0	\$0
<u>Revenues:</u>			
General Fund (01)	\$(70,000,000)	\$0	\$0
<u>Net Impact to Fund Balance (Revenue minus Expenditure):</u>			
General Fund (01)	\$(70,316,800)	\$0	\$0

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

This bill has no impact on local government revenues or expenditures.

LONG-RANGE IMPACTS:

There are no long-range impacts associated with this bill.